409th CSB/ECC-E

Contract Closeout

Training Objectives

- FAR Requirement
- Regulatory Timeframe for Closeout
- Exceptions
- Physical Completion
- Contractor Past Performance
- FFP Contract Procedures
- Cost Contract Procedures
- Cost Contract Considerations
- File Retention

FAR Requirement

- FAR 4.804 outlines contract closeout
- KO is responsible for initiating closeout
- Procedures must ensure that:

(1) Disposition of classified material is completed;
(2) Final patent report is cleared.
(3) Final royalty report is cleared;
(4) There is no outstanding value engineering change proposal;
(5) Plant clearance report is received;
(6) Property clearance is received;
(7) All interim or disallowed costs are settled;
(8) Price revision is completed;
(9) Subcontracts are settled by the prime contractor;
(10) Prior year indirect cost rates are settled;
(11) Termination docket is completed;
(12) Contract audit is completed;
(13) Contractor's closing statement is completed;
(14) Contractor's final invoice has been submitted; and
(15) Contract funds review is completed and excess funds deobligated.

Regulatory Timeframe for Closeout

FAR 4.804-1

- Contract Type
- Physical Completion

STANDARD CONTRACT CLOSEOUT REQUIREMENTS	
Timeframes	**Contract Type/Procedures**
Immediately after KO receives evidence of receipt of property and final payment	Simplified Acquisition Procedures (SAP)
6 months after the date on which the KO receives evidence of physical completion	Firm-Fixed Price (FFP) (not using SAP)
20 months after the date on which the KO receives evidence of physical completion	All other contracts
36 months after the date on which the KO receives evidence of physical completion	Contracts requiring settlement of Indirect Cost Rates

Exceptions

FAR 4.804-1(c)

A contract file shall not be closed if —

(1) The contract is in litigation or under appeal; or

(2) In the case of a termination, all termination actions have not been completed.

Physical Completion

FAR 4.804-4

(a) Except as provided in paragraph (b) below, a contract is considered to be physically completed when --

(1)

(i) The contractor has completed the required deliveries and the Government has inspected and accepted the supplies;

(ii) The contractor has performed all services and the Government has accepted these services; and

(iii) All option provisions, if any, have expired; or

(2) The Government has given the contractor a notice of complete contract termination.

(b) Rental, use, and storage agreements are considered to be physically completed when --

(1) The Government has given the contractor a notice of complete contract termination; or

(2) The contract period has expired.

Contractor Past Performance

FAR 42.15

- Use Contractor Performance Assessment Reporting System (CPARS)
- IDIQ contracts: required when the total estimated contract value exceeds the thresholds for the appropriate business sector

Contractor Past Performance	
Business Sector	**Threshold (DFARS** 242.1502)
Systems and Operations Support	> $5M
Services and Information Technology	> $1M
Construction	> $650K
Architect-Engineering Services	> $30K and all T4D's
All Other Actions	> SAT

FFP Contract Procedures

1. Final Inspection and Acceptance
2. Past Performance Evaluation
3. Funds Review
4. Government Furnished Property
5. Contract Completion Statement
6. Retire Official Contract File

Cost Contract Procedures

1. Final Inspection and Acceptance
2. Past Performance Evaluation
3. Determination of Indirect Rates
4. Funds Review
5. Government Furnished Property
6. Contract Completion Statement
7. Retire Official Contract File

Cost Contract Considerations

Part III – Contract Closeout Desk Guide

- Monitoring Cost-Reimbursable Contracts
- Physical Completion
- Awaiting Final Acceptance
- Closeout Checklist
- Final Indirect Rates
- Final Voucher Submission
- DCAA Audit of Final Voucher and Allowable Costs
- Final Voucher Review/Approval
- Quick Closeout Procedures

File Retention

DFARS 204.805(3)

- Hold in office for 12 months
- Destroy at end of retention period

GENERAL CONTRACT FILE RETENTION PERIOD	
Document / File	**Retention Period**
Contract Disputes Act actions	1 year after final payment
Contracts equal or lower than SAT (≤$150,000.00) other than Construction	3 years after final payment
Contracts greater than SAT (>$150,000.00) other than Construction	6 years and 3 months after final payment
Contracts equal or lower than (≤) $2,000.00 for Construction	3 years after final payment
Contracts greater than (>) $2,000.00 for Construction	6 years and 3 months after final payment
Cancelled Solicitations	5 years after cancellation

For More Information See

409th CSB Contract Closeout Desk Guide

Questions & Comments